



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, Secretary

Office of Procurement and Support Services – Sharon R. Gambrill, CPPB, Director

STATE OF MARYLAND
DEPARTMENT OF HEALTH & MENTAL HYGIENE

Developmental Disabilities Administration (DDA)

Rate Setting

DHMH-OPASS 15-14207

Addendum #2

Issued: October 27, 2014

All persons who are known by the Issuing Office to have received the above-referenced Request for Proposal (RFP) are hereby advised of the following revisions to the RFP.

Closing Date and Time NOW READS:

November 4, 2014 by 2:00 p.m. Local Time.

REPLACE WITH:

November 19, 2014 by 2:00 p.m. Local Time

Section 1.11 Proposals Due (Closing) Date and Time NOW READS:

Proposals, in the number and form set forth in Section 4.2 "Proposals" must be received by the Procurement Officer at the address listed on the Key Information Summary Sheet, no later than 2:00 p.m. Local Time on November 4, 2014 in order to be considered.

REPLACE WITH:

Proposals, in the number and form set forth in Section 4.2 "Proposals" must be received by the Procurement Officer at the address listed on the Key Information Summary Sheet, no later than 2:00 p.m. Local Time on **November 19, 2014** in order to be considered.

Section 1.1 Summary Statement NOW READS:

- 1.1.1 The Maryland Department of Health and Mental Hygiene (DHMH), Developmental Disabilities Administration (DDA) is soliciting proposals to support the development and execution of a rate setting process for the DDA. This rate setting process should look at all services which include, but are not limited to: residential, community supported living / personal supports, personal care, individual and family supports services, day, supportive employment, one time only and supplemental services. A complete list of DDA services provided under the DDA's Medicaid Waiver and State Plan Amendments is provided in Attachment P, including current services not considered in scope for this effort.
- 1.1.3 It is the State's intention to obtain services, as specified in this RFP, from a Contract between the selected Offeror and the State. The anticipated duration of services to be provided under this Contract is a **twelve** month base period and two one-year option periods. See Section 1.4 for more information.

REPLACE WITH:

- 1.1.1 The Maryland Department of Health and Mental Hygiene (DHMH), Developmental Disabilities Administration (DDA) is soliciting proposals to support the development and execution of a rate setting process for the DDA. This rate setting process should look at all services which include, but are not limited to: residential, community supported living / personal supports, personal care, individual and family supports services, day, supportive employment, one time only and supplemental services. A complete list of DDA services provided under the DDA's Medicaid Waiver and State Plan Amendments is provided in Attachment P, including current services not considered in scope for this effort. **While Attachment P represents the current in scope services, the DDA is currently examining its service definitions in light of new HCBS rules and may need to redefine some of the existing services.**
- 1.1.3 It is the State's intention to obtain services, as specified in this RFP, from a Contract between the selected Offeror and the State. The anticipated duration of services to be provided under this Contract is an **eighteen** month base period and two one-year option periods. See Section 1.4 for more information.

Section 1.4 Contract Duration NOW READS:

- 1.4.3 As of the Go-Live Date contained in a Notice-to-Proceed (see Section 1.2 definition), anticipated to be on or about January 15, 2015, the Contractor shall perform all activities required by the Contract, including the requirements of this solicitation, and the offerings in its Technical Proposal, for the compensation described in its Financial Proposal.
- 1.4.4 The duration of the Contract will be for the period of time from Contract Commencement to the Go-Live Date (the Start-Up Period as described in Section 1.4.2) plus **twelve** months from the Go-Live Date for the provision of all services required by the Contract and the requirements of this solicitation. This contract may be extended for two periods of one year each at the sole discretion of the Department and at the prices quoted in the Financial Proposal Form for Option Years.

REPLACE WITH:

- 1.4.3 As of the Go-Live Date contained in a Notice-to-Proceed (see Section 1.2 definition), anticipated to be on or about **March 1, 2015**, the Contractor shall perform all activities required by the Contract, including the requirements of this solicitation, and the offerings in its Technical Proposal, for the compensation described in its Financial Proposal.
- 1.4.4 The duration of the Contract will be for the period of time from Contract Commencement to the Go-Live Date (the Start-Up Period as described in Section 1.4.2) plus **eighteen** months from the Go-Live Date for the provision of all services required by the Contract and the requirements of this solicitation. This contract may be extended for two periods of one year each at the sole discretion of the Department and at the prices quoted in the Financial Proposal Form for Option Years.

Section 3.2 Contractor Requirements NOW READS:

- 3.2.2 Specific Work Requirements: The Contractor shall provide the DDA with a documented rate setting and maintenance process that includes the analysis, design, and implementation planning, through completion of the following activities. Each activity in this Section 3.2.2 is a deliverable and indicates an activity for which the Contractor may price in its Financial Proposal, Attachment F. The Contractor will not be allowed to bill for any other activities and must build any other costs into its pricing for the below activities as indicated on Attachment F. Each deliverable is cross referenced to the corresponding pricing element on Attachment F.

A. Contract Base Period (This section identifies the work to be done in the 12-month base period of the Contract)

- 3.2.2.1 Develop a Technical Work Plan – The technical plan should include the recommended methodology for accomplishing the scope of work and the approach to be employed in developing rates for each identified service. A part of the approach, the technical plan must incorporate a “pilot” rate setting effort focused on residential rates. This pilot is intended to accelerate the setting of rates for this service to test the methodology in advance of defining rates for the other services. Technical Work Plan must define the approach, timelines, data requirements, and activities associated with conducting the rate setting study. Additionally, the Technical Work Plan should include the following elements to support project delivery:

3.2.2.1.1 Communication Plan detailing the planned engagement of providers and DDA stakeholders. This plan should detail planned communication events, activities, objectives, and delivery strategies for interactions with the DDA provider community including the Provider Working Groups and Town Hall meetings

3.2.2.1.2 Project Plan developed in Microsoft Project identifying resource loaded tasks, milestones, dependencies, deliverables. Each deliverable shall have a milestone date established for submission to the Contract Monitor

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3.2.2.2 Present recommendations in a report that reviews the deficiencies of the existing assessment tool and assesses different options for selection of a new assessment tool based upon the following reviews and research:

- 3.2.2.2.1 Review the currently used level of need assessment scale, Maryland's Individual Indicator Rating Scale (IIRS), and how it addresses the varying levels of medical and behavioral complexity of individuals requiring services by the Developmental Disability (DD) providers. Specifically, the vendor should examine the appropriateness of rate adjustments, based on the IIRS, to the level of support required by an individual. Recommendations presented in a report that reviews the deficiencies of the existing tool and assesses different options for selection of a new assessment tool.
- 3.2.2.2.2 Research, identify and recommend options for other commonly used assessment scales, for state DD programs, that identify the acuity of clients and clearly map the results of the rating scale to service needs. This research should include the identification of lessons learned by other states as they have implemented and used assessment scales that measure acuity and the varying levels of medical and behavioral complexity.
- 3.2.2.2.3 Conduct a pilot rate setting process for residential service rates and present results. The results should include a narrative discussion of the rate history, the cost analysis associated with the rate, transition requirements associated with the current rate, any concerns with implementation, and a process for the maintaining the rate.
- 3.2.2.2.4 Develop proposed rates based on a cost analysis of provider agency accounts. The Contractor must assume at least 20% of DDA's provider community will participate in that sample. The rate framework should be based on standard costs across a variety of categories including, but not limited to, administrative and general overhead, direct care staff wages, capital costs, employment related expenditures, transportation, and absence days. All proposed rates must include a documentation package to support the publication of rates in regulation and any justification for rate changes to CMS. The Contractor shall develop rates for all services identified as in scope (Attachment P) over a five year implementation horizon. The Contractor shall review the historic and current rates/rate setting methodology and provide an analysis of its effectiveness, equitability, fairness, and efficiency to adequately reimburse DDA's providers and assure appropriate service delivery for clients as well as review and assess the current process of adjusting rates (add-ons) based on changing client needs. A narrative discussion is required for each rate discussing the rate history, the cost analysis associated with the rate, transition requirements associated with the current rate, any concerns with implementation, and a process for the maintaining the rate.
- 3.2.2.2.5 Facilitate at least eight (8) town hall sessions regionally (aligned with the DDA's four regional offices) to publicly discuss the methodology, approach, and status of the rate setting effort. The Contractor must submit presentations in advance of all town hall sessions to review content with the DDA Contract Monitor or

designee and update as appropriate. The Contractor shall submit a post event report summarizing the event and feedback received.

- 3.2.2.2.6 Conduct provider working groups (organized by service type) with participation from DDA personnel and representatives from a minimum 20% sample of providers by service. These working groups should be designed to review cost analysis and explore specific topics including transportation and the impact of absence days. The 20% sample of providers at these meetings should be randomly identified within the characteristics of size, location and service type. The Contractor shall prepare agendas for each provider working group session to be reviewed with the DDA Contract Monitor or designee in advance of the sessions. In addition the Contractor shall prepare meeting minutes to follow each working group session.
- 3.2.2.2.7 Develop a fiscal impact analysis identifying the financial impact associated with the adoption of a new rate and payment structure by service area. Based on the recommended rates, this analysis should identify revenue impacts on individual provider agencies and the overall budgetary impact on the DDA. The Contractor shall prepare a fiscal impact analysis report to highlight potential budgetary changes required to support the proposed rates at the State level. This report should also identify winners (providers where rates would increase based on the recommended rate) and losers (providers who are identified as above the recommended rate).
- 3.2.2.2.8 Develop and present an implementation plan detailing the process for initial adoption of a new rate framework by service. This plan should detail the steps needed to support the transition, including any potential working capital requirements to support provider transition to a new rate structures and a new financial reimbursement-based payment strategy. These recommendations must comport with Federal and State regulations including the Final Rule released on 1/16/14 for Medicaid Home and Community Based Services and should seek to maximize federal match during the implementation process and post implementation. The Contractor shall provide an implementation plan specific to each rate. 3.2.2.9 Identify and recommend a framework for how rates will be refreshed on an annual basis and the information requirements associated with provider cost reports and wage surveys. Recommendations must detail the roles and responsibilities of both provider and DDA personnel, the information required and the process for collecting provider cost reports and wage surveys. The Contractor shall use these recommendations to form the basis of a maintenance plan or framework, which highlights the process for updating and adjusting rates on an annual basis. The Contractor shall include specific actions required by DDA and providers in the maintenance plan. Additionally, the plan should specify required changes to cost reports and wage surveys to ensure that adequate data is available to support the maintenance and refresh of rates.

B. Option Year(s) Scope of Work (This section identifies the work to be done in the two, one-year option periods should the State choose to exercise the renewal options).

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- 3.2.2.3 Implementation Plan Execution Support – In the option years, if the option(s) are exercised, the Contractor may be called upon to provide execution support which will include the following activities (For 3.2.2.10.1 through 3.2.2.10.5, the Contractor shall provide support and documentation as required to update rates and execute management of cost reports and wage surveys):
- 3.2.2.4 Update service rates as necessary based on cost changes, funding availability (as determined by the state legislature) and provider submitted information from cost reports and wage surveys.
- 3.2.2.5 Conduct an analysis to determine working capital requirements.
- 3.2.2.6 Develop updates for rate publications in regulation which would include support for justifying any applicable rate changes to CMS and providing support to facilitate public comment periods.
- 3.2.2.7 Provide ongoing support to align rates with ratings associated with the Department's selected assessment scale.
- 3.2.2.8 Provide ongoing training to DDA providers on rate setting and its impact on individual funding.
- 3.2.2.9 Task Order Process for Option Year Work.
- 3.2.2.9.1 The Contractor shall receive a written notice to proceed from the Contract Monitor prior to commencing work. The Contractor may not proceed with the task order (TO) until written notice from the Contract Monitor to proceed. Written notice may take the form of a signature of approval on a submitted TO cost estimate or separate written correspondence including, but not limited to, email. The Department will have final approval on all solicitations and TO award recommendations unless any other control agency is required to provide final approval.
- 3.2.2.9.2 Task Order Process: Services shall be provided via a task order process (using the p re-approved, fully-loaded composite hourly labor rates) as follows:
- a. The Contract Monitor will e-mail or fax a request to the Contractor to provide services. On occasion, the Contract Monitor may contact the Contractor by telephone to orally convey the contents of a TO request. The request shall include at a minimum:
- 1) The due date and time for submitting a response to the TO request;
 - 2) Technical requirements and description of the services needed;
 - 3) Specific information to be provided by the Contractor, such as: A proposed work plan for the required services; any maximum timeframe to complete the services required; any required places(s) where work must be performed; State furnished information, work site, and /or access to equipment, facilities, or personnel; and
 - 4) Requirements for meetings and reports.
- b. The Contractor shall e-mail or fax a response to the Contract Monitor within the specified time and shall include at a minimum:

- 1) A response to the description of the service that details the Contractor's understanding of the work;
- 2) A description of the proposed work plan including time schedules, in narrative to accomplish the requisite task. This description shall include a schedule of resources and related tasks, including an explanation of how these tasks will be completed.
- 3) Identification of those activities or phases that can be completed independently or simultaneously versus those that must be completed before another activity or phase can commence.
- 4) Proposed staffing plan by individual, including estimated hours required to complete the task.
- 5) Proposed approach to satisfying the requirements of the task and development of task deliverables.
- 6) A detailed cost estimate, using projected hours to complete the project. For budget purposes, a not-to-exceed amount will be assumed and indicated on each TO request.

c. The Contract Monitor will review the response and will either approve the work and provide a notice to proceed (NTP) or contact the Contractor to obtain additional information, clarification or revision to the work. If satisfied, the Contract Monitor will then provide the NTP.

3.2.3 Personnel Requirements:

- 3.2.3.1 The Contractor shall keep an organization chart identifying the personnel planned to support the engagement and their internal reporting relationships as well as the key point of contact for DDA and make it available upon the request of the Contract Monitor. An updated chart shall be submitted to the Contract Monitor within 5 Business Days of changes in personnel.
- 3.2.3.2 Contractor personnel shall include a Project Manager who shall be the key point of contact for DDA and designated as "Key Personnel." The Project Manager shall have had with experience leading three states Developmental Disabilities programs through rate setting efforts.

3.2.4 Reports and Status Monitoring:

- 3.2.4.1 The Contractor shall provide the DDA with a monthly project status report highlighting progress made against the project plan, no later than the 15th calendar day of the following month, for the previous month activities, to include a summary of activities and resulting data. The report shall include at least the following information:
 - a. Completion status of all activities and identification of any activities planned but not started. Including rationale for any delays per the submitted project plan.
 - b. Documentation of risks and issues associated with executing the technical plan and recommendations for mitigating their impact on project timelines and completion.
 - c. Plans for the next month following the report month.

d. The Contractor shall maintain all records related to this Contract for a minimum of 5 years after the conclusion of this Contract. The Contractor will return those records to the Department or confidentially dispose of them at the direction of the Contract Manager.

REPLACE WITH:

3.2.2 Specific Work Requirements: The Contractor shall provide the DDA with a documented rate setting and maintenance process that includes the analysis, design, and implementation planning, through completion of the following activities. Each activity in this Section 3.2.2 is a deliverable and indicates an activity for which the Contractor may price in its Financial Proposal, Attachment F. The Contractor will not be allowed to bill for any other activities and must build any other costs into its pricing for the below activities as indicated on Attachment F. Each deliverable is cross referenced to the corresponding pricing element on Attachment F.

A. Contract Base Period (This section identifies the work to be done in the **18-month** base period of the Contract)

3.2.2.1 Develop a Technical Work Plan – The technical plan should include the recommended methodology for accomplishing the scope of work and the approach to be employed in developing rates for each identified service. A part of the approach, the technical plan must incorporate a “pilot” rate setting effort focused on residential rates. This pilot is intended to accelerate the setting of rates for this service to test the methodology in advance of defining rates for the other services. Technical Work Plan must define the approach, timelines, data requirements, and activities associated with conducting the rate setting study. Additionally, the Technical Work Plan should include the following elements to support project delivery:

3.2.2.1.1 Communication Plan detailing the planned engagement of providers and DDA stakeholders. This plan should detail planned communication events, activities, objectives, and delivery strategies for interactions with the DDA provider community including the Provider Working Groups and Town Hall meetings

3.2.2.1.2 Project Plan developed in Microsoft Project identifying resource loaded tasks, milestones, dependencies, deliverables. Each deliverable shall have a milestone date established for submission to the Contract Monitor

3.2.2.2 **The DDA has already conducted a preliminary pilot of the Support Intensity Scale (SIS) and has made a decision to use it as the DDA’s level of need assessment tool. Over the next few years, the DDA is planning to implement the SIS state-wide.** With this understanding, the vendor should present recommendations in a report that reviews the deficiencies of the existing assessment tool and assesses different options for **implementing the Support Intensity Scale (SIS) with the new DDA rate structure** based upon the following reviews and research.

3.2.2.2.1 Review the currently used level of need assessment scale, Maryland’s Individual Indicator Rating Scale (IIRS), and how it **does or does not address** the varying levels of medical and behavioral complexity of individuals requiring services by the Developmental Disability (DD) providers. Specifically, the vendor should examine the appropriateness of rate adjustments, based on the IIRS, to the level of support required by an individual. Recommendations presented in a report that

reviews the deficiencies of the existing tool and assesses **how the SIS could improve upon these deficiencies.**

- 3.2.2.2.2 Research **the use of the SIS in other state DD programs and recommend options for using the SIS** to identify the acuity of clients and clearly map the results of the rating scale to service needs **and rates.** This research should include the identification of lessons learned by other states as they have implemented and used **the SIS or other similar** assessment scales that measure acuity and the varying levels of medical and behavioral complexity. **If the rates proposed require an association of level of need assessment with the rate determination, the vendor must present recommendations in a report that reviews approaches utilized by other states and how Maryland may integrate level of need assessments with the proposed rate setting approach.**
- 3.2.2.3 Review the DDA's waiver services, the on-going review that DDA is conducting on the impact of the community rule on waiver services, the rate history, and available documentation. Based on this review, the Contract should present a rate methodology for each of the services identified in Attachment P that addresses the varying acuity and needs of individuals and variations in the service delivery models. This methodology will be presented both internally and externally to DDA stakeholders.
- 3.2.2.4 Develop proposed rates based on a cost analysis of provider agency accounts. The Contractor must assume at least 20% of DDA's provider community will participate in that sample. The rate framework should be based on standard costs across a variety of categories including, but not limited to, administrative and general overhead, direct care staff wages, capital costs, employment related expenditures, transportation, absence days, **and costs associated with required provider certification and annual direct support worker training as required by COMAR 10.22.02.11.** All proposed rates must include a documentation package to support the publication of rates in regulation and any justification for rate changes to CMS. The Contractor shall developed rates for all services identified as in scope (Attachment P) over a five year implementation horizon. **While Attachment P represents the current services considered in scope for this effort, the DDA is currently examining its service definitions in light of new HCBS rules and may need to redefine some of the existing services.** The Contractor shall review the historic and current rates/rate setting methodology and provide an analysis of its effectiveness, equitability, fairness, and efficiency to adequately reimburse DDA's providers and assure appropriate service delivery for clients as well as review and assess the current process of adjusting rates (add-ons) based on changing client needs A narrative discussion is required for each rate discussing the rate history, the cost analysis associated with the rate, transition requirements associated with the current rate, any concerns with implementation, and a process for the maintaining the rate.
- 3.2.2.5 Facilitate at least eight (8) town hall sessions regionally (aligned with the DDA's four regional offices) to publicly discuss the methodology, approach, and status of the rate setting effort. The Contractor must submit presentations in advance of all town hall sessions to review content with the DDA Contract Monitor or designee and update as appropriate. The Contractor shall submit a post event report summarizing the event and feedback received.

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- 3.2.2.6 Conduct provider working groups (organized by service type) with participation from DDA personnel and representatives from a minimum 20% sample of providers by service. These working groups should be designed to review cost analysis and explore specific topics including transportation and the impact of absence days. The 20% sample of providers at these meetings should be randomly identified within the characteristics of size, location and service type. The Contractor shall prepare agendas for each provider working group session to be reviewed with the DDA Contract Monitor or designee in advance of the sessions. In addition the Contractor shall prepare meeting minutes to follow each working group session.
- 3.2.2.7 Develop a fiscal impact analysis identifying the financial impact associated with the adoption of a new rate and payment structure by service area. Based on the recommended rates, this analysis should identify revenue impacts on individual provider agencies and the overall budgetary impact on the DDA. The Contractor shall prepare a fiscal impact analysis report to highlight potential budgetary changes required to support the proposed rates at the State level. This report should also identify winners (providers where rates would increase based on the recommended rate) and losers (providers who are identified as above the recommended rate).
- 3.2.2.8 Develop and present an implementation plan detailing the process for initial adoption of a new rate framework by service. This plan should detail the steps needed to support the transition, including any potential working capital requirements to support provider transition to a new rate structures and a new financial reimbursement-based payment strategy. These recommendations must comport with Federal and State regulations including the Final Rule released on 1/16/14 for Medicaid Home and Community Based Services and should seek to maximize federal match during the implementation process and post implementation. The Contractor shall provide an implementation plan specific to each rate.
- 3.2.2.9 Identify and recommend a framework for how rates will be refreshed on an annual basis and the information requirements associated with provider cost reports and wage surveys. Recommendations must detail the roles and responsibilities of both provider and DDA personnel, the information required and the process for collecting provider cost reports and wage surveys. The Contractor shall use these recommendations to form the basis of a maintenance plan or framework, which highlights the process for updating and adjusting rates on an annual basis. The Contractor shall include specific actions required by DDA and providers in the maintenance plan. Additionally, the plan should specify required changes to cost reports and wage surveys to ensure that adequate data is available to support the maintenance and refresh of rates.

B. Option Year(s) Scope of Work (This section identifies the work to be done in the two, one-year option periods should the State choose to exercise the renewal options).

- 3.2.2.10 Implementation Plan Execution Support – In the option years, if the option(s) are exercised, the Contractor may be called upon to provide execution support which will include the following activities (For 3.2.2.10.1 through 3.2.2.10.5, the Contractor shall provide support and documentation as required to update rates and execute management of cost reports and wage surveys):

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- 3.2.2.10.1 Update service rates as necessary based on cost changes, funding availability (as determined by the state legislature) and provider submitted information from cost reports and wage surveys.
 - 3.2.2.10.2 Conduct an analysis to determine working capital requirements.
 - 3.2.2.10.3 Develop updates for rate publications in regulation which would include support for justifying any applicable rate changes to CMS and providing support to facilitate public comment periods.
 - 3.2.2.10.4 Provide ongoing support to align rates with ratings associated with the Department's selected assessment scale.
 - 3.2.2.10.5 Provide ongoing training to DDA providers on rate setting and its impact on individual funding.
- 3.2.3 Task Order Process for Option Year Work.
- 3.2.3.1 The Contractor shall receive a written notice to proceed from the Contract Monitor prior to commencing work. The Contractor may not proceed with the task order (TO) until written notice from the Contract Monitor to proceed. Written notice may take the form of a signature of approval on a submitted TO cost estimate or separate written correspondence including, but not limited to, email. The Department will have final approval on all solicitations and TO award recommendations unless any other control agency is required to provide final approval.
 - 3.2.3.2 Task Order Process: Services shall be provided via a task order process (using the pre-approved, fully-loaded composite hourly labor rates) as follows:
 - a. The Contract Monitor will e-mail or fax a request to the Contractor to provide services. On occasion, the Contract Monitor may contact the Contractor by telephone to orally convey the contents of a TO request. The request shall include at a minimum:
 - 1) The due date and time for submitting a response to the TO request;
 - 2) Technical requirements and description of the services needed;
 - 3) Specific information to be provided by the Contractor, such as: A proposed work plan for the required services; any maximum timeframe to complete the services required; any required places(s) where work must be performed; State furnished information, work site, and /or access to equipment, facilities, or personnel; and
 - 4) Requirements for meetings and reports.
 - b. The Contractor shall e-mail or fax a response to the Contract Monitor within the specified time and shall include at a minimum:
 - 1) A response to the description of the service that details the Contractor's understanding of the work;

- 2) A description of the proposed work plan including time schedules, in narrative to accomplish the requisite task. This description shall include a schedule of resources and related tasks, including an explanation of how these tasks will be completed.
- 3) Identification of those activities or phases that can be completed independently or simultaneously versus those that must be completed before another activity or phase can commence.
- 4) Proposed staffing plan by individual, including estimated hours required to complete the task.
- 5) Proposed approach to satisfying the requirements of the task and development of task deliverables.
- 6) A detailed cost estimate, using projected hours to complete the project. For budget purposes, a not-to-exceed amount will be assumed and indicated on each TO request.

c. The Contract Monitor will review the response and will either approve the work and provide a notice to proceed (NTP) or contact the Contractor to obtain additional information, clarification or revision to the work. If satisfied, the Contract Monitor will then provide the NTP.

3.2.4 Personnel Requirements:

- 3.2.4.1 The Contractor shall keep an organization chart identifying the personnel planned to support the engagement and their internal reporting relationships as well as the key point of contact for DDA and make it available upon the request of the Contract Monitor. An updated chart shall be submitted to the Contract Monitor within 5 Business Days of changes in personnel.
- 3.2.4.2 Contractor personnel shall include a Project Manager who shall be the key point of contact for DDA and designated as "Key Personnel." The Project Manager shall have had with experience leading three states Developmental Disabilities programs through rate setting efforts.

3.2.5 Reports and Status Monitoring:

- 3.2.5.1 The Contractor shall provide the DDA with a monthly project status report highlighting progress made against the project plan, no later than the 15th calendar day of the following month, for the previous month activities, to include a summary of activities and resulting data. The report shall include at least the following information:
 - a. Completion status of all activities and identification of any activities planned but not started. Including rationale for any delays per the submitted project plan.
 - b. Documentation of risks and issues associated with executing the technical plan and recommendations for mitigating their impact on project timelines and completion.
 - c. Plans for the next month following the report month.

d. The Contractor shall maintain all records related to this Contract for a minimum of 5 years after the conclusion of this Contract. The Contractor will return those records to the Department or confidentially dispose of them at the direction of the Contract Manager.

Section 3.6.2 Invoice Submission Schedule NOW READS:

Invoices for the base period are tied to deliverable completion (See Section 3.2.2 for the list of deliverables to be completed.) and acceptance in accordance with the price sheet. The invoice for a particular deliverable must be submitted no later than the month following the month in which the deliverable was completed and accepted.

During the option period(s), invoices must be submitted by the 15th of the month following the month in which work was completed. Hours worked must not exceed the budgeted levels indicated on the task order request and will be paid per the invoice less the retainage level indicated in 3.6.1 (c).

REPLACE WITH:

Invoices for the base period are tied to deliverable completion (See Section 3.2.2 for the list of deliverables to be completed.) and acceptance in accordance with the price sheet. The invoice for a particular deliverable must be submitted no later than the month following the month in which the deliverable was completed and accepted.

During the option period(s), invoices must be submitted by the 15th of the month following the month in which work was completed. Hours worked must not exceed the budgeted levels indicated on the task order request and will be paid per the invoice.

Attachment A – Contract NOW READS:

3.1 The term of this Contract begins on the date the Contract is signed by the Department following any required approvals of the Contract, including approval by the Board of Public Works, if such approval is required. The Contractor shall provide services under this Contract as of the Go-Live date contained in the written Notice to Proceed. From this Go-Live date, the Contract shall be for a period of approximately twelve months beginning 3/1/2015 and ending on 2/28/16.

REPLACE WITH:

3.1 The term of this Contract begins on the date the Contract is signed by the Department following any required approvals of the Contract, including approval by the Board of Public Works, if such approval is required. The Contractor shall provide services under this Contract as of the Go-Live date contained in the written Notice to Proceed. From this Go-Live date, the Contract shall be for a period of approximately **eighteen** months beginning 3/1/2015 and ending on **8/31/16**.

Attachment P NOW READS:

Current DDA Services Considered in Scope for this effort with [billing unit]:

- Residential Habilitation
 - Community Exploration [Day]
 - Community Residential Habilitation Services [Day]
 - Residential Retainer Fees [Day]
- Day Habilitation [Day]
- Personal Supports
 - Personal Supports - Retainer Fees Self Direction [Item]
 - Personal Supports [Hour]
- Respite [Day]
- Supported Employment [Day]
- Support Brokerage [Hour]
- Behavioral Supports
 - Behavioral Mobile Crisis Intervention [30 minutes]
 - Behavioral Assessment [Assessment]
 - Behavioral Consultation [30 minutes]
 - Behavioral Respite [Day]
 - Behavioral Support Services [30 minutes]
- Community Learning Services [Day]
- Employment Discovery and Customization [Day]
- Family and Individual Support Services [Currently monthly will set as hourly]
- Shared Living [Currently monthly will set as hourly]
- Transportation [Trips]
- Transportation - Self Direction [Trips]
- Targeted Case Management (under the State Plan Amendment)
 - Comprehensive Assessments [Item]
 - Resource Coordination Activity [15 minute unit]

REPLACE WITH:

While the DDA is currently examining its service definitions in light of new HCBS rules and may need to redefine some of the existing services, the current DDA Services Considered in Scope for this effort are [billing unit]:

- Residential Habilitation
 - Community Residential Habilitation Services [Day]
 - Residential Retainer Fees [Day]
- Day Habilitation [Hour, currently a Day Rate]
- Community Exploration [Hour, currently a Day Rate]
- Supported Employment [Hour, currently a Day Rate]
- Employment Discovery and Customization [Hour, currently a Day Rate]
- Personal Supports
 - Personal Supports - Retainer Fees Self Direction [Item]
 - Personal Supports [Hour]
- Respite [Day]

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- Support Brokerage [Hour]
- Behavioral Supports
 - Behavioral Mobile Crisis Intervention [30 minutes]
 - Behavioral Assessment [Assessment]
 - Behavioral Consultation [30 minutes]
 - Behavioral Respite [Day]
 - Behavioral Support Services [30 minutes]
- Community Learning Services [Day]
- Family and Individual Support Services [Currently monthly will set as hourly]
- Shared Living [Currently monthly will set as hourly]
- Transportation [Trips]
- Transportation - Self Direction [Trips]
- Targeted Case Management (under the State Plan Amendment)
 - Comprehensive Assessments [Item]
 - Resource Coordination Activity [15 minute unit]

ADD Attachment R – Active and Licensed DDA Providers by Service

At the current time the DDA has 248 licensed community service providers with 190 actively providing service to individuals. Below is breakdown of the number of providers licensed and actively providing each of the DDA's services.

SERVICE	# Licensed	# Active
Residential	168	123
Day	124	97
Supported Employment	111	94
CSLA	139	102
Self-Directed	2	2
Individual Family Care (Shared Living)	28	17
Family Support Services	103	36
Individual Support Services	128	95
Resource Coordination	18	18

Due to the changes reflected in the amendment the Financial Proposal Form now reads:

REVISED FINANCIAL PROPOSAL FORM

The Financial Proposal Form shall contain all price information in the format specified on these pages. Complete the Financial Proposal Form only as provided in the Financial Proposal Instructions. Do not amend, alter or leave blank any items on the Financial Proposal Form. If option years are included, Offerors must submit pricing for each option year. Failure to adhere to any of these instructions may result in the Proposal being determined not reasonably susceptible of being selected for award.

A. Base Period (Firm Fixed Price). Insert firm fixed price for each of the nine elements

Item	Deliverable Description (RFP Reference)	Fixed Price for Deliverable (\$)
1	Technical Work Plan including Project and Communications Plans (3.2.2.1)	
2	SIS Recommendations Report (3.2.2.2)	
3	Rate Methodology (3.2.2.3)	
4	Developed Rates for All Services in Scope over 5-Year Implementation (3.2.2.4)	
5	Presentation Material and Post Town Hall Meeting Report (3.2.2.5) for All Events	
6	Working Group Agendas and Meeting Minutes (3.2.2.6)	
7	Fiscal Impact Analysis Report (3.2.2.7)	
8	Implementation Plan Specific to Each Rate (3.2.2.8)	
9	Rate Maintenance Plan (3.2.2.9)	
Total	Enter Sum of Items 1-9 in \$	(A)

B. Option Period 1 (Indefinite Quantity). Insert a composite labor rate for each task

Item	Deliverable Description (RFP Reference)	Unit Rate (Composite Hourly Labor Rate)	Multiplied by Number of Units (Hours)	Equals Extended Price for Deliverable (\$)
1	Update service rates as necessary (3.2.2.10.1)		x 800	=
2	Working Capital Requirements Analysis (3.2.2.10.2)		x 240	=
3	Updates for Rate Publications in Regulation (3.2.2.10.3)		x 80	=
4	Ongoing Support to Align Rates with IIRS Ratings (3.2.2.10.4)		x 240	=
5	Provide ongoing training to DDA providers on rate setting and its impact on individual funding (3.2.2.10.5)		x 400	=
Total	Enter Sum of Items 1-5			(B)

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C. Option Period 2 (Indefinite Quantity). Insert a composite labor rate for each task

Item	Deliverable Description (RFP Reference)	Unit Rate (Composite Hourly Labor Rate)	Multiplied by Number of Units (Hours)	Equals Extended Price for Deliverable (\$)
1	Update service rates as necessary (3.2.2.10.1)		x 800	=
2	Working Capital Requirements Analysis (3.2.2.10.2)		x 120	=
3	Updates for Rate Publications in Regulation (3.2. 2.10.3)		x 40	=
4	Ongoing Support to Align Rates with IIRS Ratings (3.2.2.10.4)		x 240	=
5	Provide ongoing training to DDA providers on rate setting and its impact on individual funding (3.2.2.10.5)		x 400	=
Total	Enter Sum of Items 1-5			(C)

TOTAL EVALUATED PROPOSAL PRICE (A)+(B)+(C) = \$ _____
(TOTAL EVALUATED PROPOSAL PRICE)

Submitted By:

Authorized Signature: _____ Date: _____

Printed Name and Title: _____

Company Name: _____

Company Address: _____

Location(s) from which services will be performed (City/State): _____

FEIN: _____

eMM #: _____

Telephone: (_____) _____-- _____

Fax: (_____) _____-- _____

E-mail: _____

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All other terms and conditions remain unchanged.

This Addendum is issued under the authority of State Procurement Regulations, COMAR 21.05.02.08 and with the approval of the Procurement Officer.

October 27, 2014

Date

Michael Howard

Michael Howard, CPPB
Deputy Director for Procurement
Office of Procurement and Support Services

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Upon receipt, please return the addendum acknowledgement via fax, email or hardcopy to:

Allegra Daye
Maryland Department of Health and Mental Hygiene
Office of Procurement and Support Services
201 W. Preston Street 4TH Floor
Baltimore, MD 21201
Email: allegra.daye@maryland.gov
Phone: 410-767-5741
Fax #: 410-333-5958

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ADDENDUM ACKNOWLEDGEMENT RECEIPT

I acknowledge receipt of Addendum #2 to DHMH-OPASS 15-14207 titled "Rate Setting" dated September 26, 2014.

Vendor's Name

Authorized Signatory - (Print)

Signature

Date